

BILL ANALYSIS

H.B. 2558
By: Swinford
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 63 of the Agriculture Code addresses fees and tonnage reporting concerning the commercial manufacture and distribution of fertilizer.

Current law requires all distributors of fertilizer to file a quarterly report with the Texas Feed & Fertilizer Control Service (Service) regardless of the tonnage manufactured or distributed. Many small firms do not generate sufficient tonnage to exceed their \$100 (278 tons) deposit, and filing four reports when one suffices costs both distributors and the Service time and money.

Current law also requires payment of these fees on or before the 31st day of the stated quarter and imposes a penalty if payment has not been made by the 41st day. The Service by law has no other option but to cancel the registration if fees are not paid. The current 10-day window has proved too narrow to permit the Service to provide adequate notice, required by law, and to get a response.

Current law limits stop-sale orders to the 10th day after the order was imposed. Practical experience has shown that if the Service must file a condemnation order, it must do so with two or three days remaining on the stop-sale order. The aim of the Service is to achieve compliance through discussion and negotiation rather than judicial proceedings. Experience has shown that 30 days, just as in the Feed Law, has proved to be an adequate length of time to determine whether the Service can achieve compliance.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2558 amends the Agriculture Code to change the requirements fertilizer manufacturers and distributors must adhere to when filing reports detailing the amount of fertilizer distributed during the reporting period. Manufacturers and distributors are required to submit quarterly reports only if the total amount of inspection fees per year are greater than or equal to \$100. Otherwise, the report is required to be filed annually. Additionally, the bill sets forth dates detailing when manufacturers and distributors must file tonnage reports to the Service.

The bill sets forth penalty payments for late filing and extends the filing deadline for fertilizer manufacturers and distributors. The bill extends the expiration of a stop-sale order imposed on the sale of a fertilizer.

The change in law made by this Act applies only to a tonnage fee report or inspection fee payment beginning on or after September 1, 2003.

EFFECTIVE DATE

September 1, 2003.

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